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RV Market Data

RV Dealer Profiles

Consumer Demographics

Chassis Guide

32ND ANNUAL RV INDUSTRY DIRECTORY

A Complete Guide To RV Manufacturers, RV Suppliers, Distributors And Related Services

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Market Profiles and Demographics

JOHN SCHUG

The following is a profile of each of seven distinct segments that make up today's RV market—Class A motorhomes, Class C motorhomes, travel trailers, fifth-wheel travel trailers, folding camping trailers, van conversions and pickup campers.

Each profile includes an overview of the particular market and a data section encapsulating the basics of each market—owner demographics, RV usage and purchase patterns. All data is presented as either a percentage of the total group or as a median, representing the typical person in each group. The data sections utilize the same format, so the similarities and differences among the groups may be compared and analyzed.

The data in this report is based on the findings of the *1986 RV Market Study*, conducted by John Schug Media Research in conjunction with Indiana University. The comprehensive study used a random sampling of RVers throughout the United States and was prepared by John Schug Media Research exclusively for this special *RV Business Industry Directory* report.

The Class A Motorhome Market

With an annual household income of more than $37,000, the Class A motorhome owner is among the most affluent of RVers. He is among the most independent as well: About half of all Class A motorhome owners are retired, and 70% have no children living with them.

The Class A motorhome owner travels more than most other RVers, using his RV primarily for longer trips instead of weekend getaways. He is also more likely to use his RV year-round than other RVers.

At an average purchase price (combining new and used) of $20,200, the typical Class A motorhome costs almost 50% more than the next most-expensive RV—Class C motorhomes. Forty-nine percent of all motorhomes were purchased new, and about half of all motorhomes were purchased in the past three years.

OWNER PROFILE

Age	60 years
Retired	49%
Not retired	51%
Married	90%
Have children living at home	30%
No children at home	70%
College educated	53%
Live in city/suburbs	44%
Live in town/rural area	56%
Annual household income	$37,200

RV USAGE

Days spent RVing in past year	37 days
Miles driven while RVing in past year	5,700 miles
RV trips taken in past year	5 trips
Use RV primarily for:	
weekends/holidays	23%
trips/vacations	35%
both weekends & vacations	42%
Use RV year-round	56%
Use RV only in certain seasons	44%

THE RV

Year RV was purchased:	
1984 or later	47%
1980-83	31%
1979 or before	22%
Purchased new	49%
Purchased used	51%
Approximate purchase price	$20,000

The Class C Motorhome Market

Demographically, the Class C motorhome owner is the same person as the Class A motorhome owner—the only difference is that the Class C owner is slightly less affluent (but still well-above average in income).

Similarly, the usage patterns for Class C's are virtually identical to those of Class A motorhomes. The typical Class C is driven 5,700 miles a year . . . is taken on five trips a year . . . is used primarily for trips and vacations . . . and is enjoyed year-round.

The only real difference between the Class A motorhome and Class C motorhome markets lies in the vehicles themselves. While some Class C owners are attracted to the lower cost of the Class C, the owners preference for a more compact RV is probably also an important factor in Class C purchases.

OWNER PROFILE

Age	59 years
Retired	45%
Not retired	55%
Married	89%
Have children living at home	37%
No children at home	63%
College-educated	51%
Live in city/suburbs	46%
Live in town/rural area	54%
Annual household income	$34,300

RV USAGE

Days spent RVing in past year	34 days
Miles driven RVing in past year	5,700 miles
RV trips taken in past year	5 trips
Use RV primarily for:	
weekends/holidays	21%
trips/vacations	32%
both weekends & vacations	47%
Use RV year-round	56%
Use RV only in certain seasons	44%

THE RV

Year RV was purchased:	
1984 or later	37%
1980-83	34%
1979 or before	29%
Purchased new	44%
Purchased used	56%
Approximate purchase price	$14,300

The Travel Trailer Market

Of the full-size RVs, the travel trailer is used more for weekends than for longer trips. It is used fewer days and driven fewer miles than any other major type of RV. Only 28% of travel trailer owners use their RV year-round.

The travel trailer market is the broadest-based of all RV types. In addition to enthusiasts, the market also includes occasional RVers and other buyers attracted by the trailer's low cost—the typical travel trailer in the study costs $4,900, and 65% of all trailers were purchased used.

With an annual household income of $29,800, the travel trailer owner is among the least affluent of RVers. He is also the most likely to live in a small town or rural area—only 30% of travel trailer owners live in cities or suburban areas.

OWNER PROFILE

Age	56 years
Retired	40%
Not retired	60%
Married	92%
Have children living at home	40%
No children at home	60%
College-educated	45%
Live in city/suburbs	30%
Live in town/rural area	70%
Annual household income	$29,800

RV USAGE

Days spent RVing in past year	24 days
Miles driven RVing in past year	2,000 miles
RV trips taken in past year	3 trips
Use RV primarily for:	
weekends/holidays	40%
trips/vacations	29%
both weekends & vacations	31%
Use RV year-round	28%
Use RV only in certain seasons	72%

THE RV

Year RV was purchased:	
1984 or later	43%
1980-83	30%
1979 or before	27%
Purchased new	35%
Purchased used	65%
Approximate purchase price	$4,900

The Fifth-Wheel Travel Trailer Market

The fifth-wheel owner is the oldest of all RVers and has the lowest annual income ($26,800). But he is also the most independent of all RVers—52% of fifth-wheel owners are retired, and 76% have no children living at home.

With this independence comes a high-rate of RV usage. Fifth-wheel owners spend more days RVing than any other group, and 12% of all fifth-wheel owners are full-time RVers. This makes fifth-wheels by far the most popular type of full-time RV.

More than half of all fifth-wheel buyers purchased their RVs new, making fifth-wheel trailers the only type of full-size RV more likely to be purchased new than used. In addition, the fifth-wheel fleet on the road is the youngest—55% of all fifth-wheel travel trailers were purchased in the past three years.

OWNER PROFILE

Age	61 years
Retired	52%
Not retired	48%
Married	93%
Have children living at home	24%
No children at home	76%
College-educated	39%
Live in city/suburbs	32%
Live in town/rural area	68%
Annual household incomd	$26,800

RV USAGE

Days spent RVing in past year	49 days
Miles driven RVing in past year	3,500 miles
RV trips taken in past year	4 trips
Use RV primarily for:	
weekends/holidays	26%
trips/vacations	29%
Both weekends & vacations	45%
Use RV year-round	37%
Use RV only in certain seasons	63%

THE RV

Year RV was purchased:	
1984 or later	55%
1980-83	23%
1979 or before	22%
Purchased new	54%
Purchased used	46%
Approximate purchase price	$10,500

The Folding Camping Trailer

As the lowest-priced RV and the most "occasional" in purpose, the folding camping trailer attracts a type of buyer quite different from the average RVer. The buyer represents the youngest segment of the market by far (with most owners in their 30s and 40s), the most family-oriented (79% of all owners have children living at home) and the highest-educated (66% of all owners attended college). Folding camping trailer owners are also among the most affluent in RVing.

Purchased primarily for weekend trips and short vacations, the folding camping trailer is the least-often used of all RV types. In a typical year, the folding camping trailer is used for 13 days . . . towed 1,900 miles . . . taken on three trips . . . and used only seasonally.

OWNER PROFILE

Age	42 years
Retired	11%
Not retired	89%
Married	94%
Have children living at home	79%
No children at home	21%
College-educated	66%
Live in city/suburbs	39%
Live in town/rural area	61%
Annual household income	$36,200

RV USAGE

Days spent RVing in past year	13 days
Miles driven RVing in past year	1,900 miles
RV trips taken in past year	3 trips
Use RV primarily for:	
weekends/holidays	49%
trips/vacations	30%
both weekends & vacations	21%
Use RV year-round	12%
Use RV only in certain seasons	88%

THE RV

Year RV was purchased:	
1984 or later	35%
1980-83	35%
1979 or before	30%
Purchased new	37%
Purchased used	63%
Approximate purchase price	$2,000

The Van Conversion Market

With a median income of $37,800, van conversion owners are the most affluent group in RVing. Somewhat younger and better educated than most RVers, van conversion owners are also the most likely to live in a city or metropolitan area—perhaps because the compact size and dual-purpose nature of the van conversion make it a perfect RV for urban areas.

Since it can be used for both RVing and daily transportation, the van conversion is used much more than any other type of RV. The typical van conversion owner uses his RV more than 100 days a year . . . drives it almost 9,000 miles . . . and uses it year-round. But it is important to remember that this frequent usage is not all recreational in nature, as most owners use their van conversion for all types of travel.

OWNER PROFILE

Age	49 years
Retired	30%
Not retired	70%
Married	84%
Have children living at home	53%
No children at home	47%
College-educated	63%
Live in city/suburbs	59%
Live in town/rural area	41%
Annual household income	$37,800

RV USAGE

Days spent RVing in past year	104 days
Miles driven RVing in past year	8,900 miles
RV trips taken in past year	5 trips
Use RV primarily for:	
weekends/holidays	21%
trips/vacations	17%
both weekends & vacations	62%
Use RV year-round	67%
Use RV only in certain seasons	33%

THE RV

Year RV was purchased:	
1984 or later	39%
1980-83	33%
1979 or before	28%
Purchased new	58%
Purchased used	42%
Approximate purchase price	$11,000

The Truck Camper Market

Of all RV types, the truck camper is most used in conjunction with other forms of outdoor recreation. Half of all owners use their truck campers for hunting or fishing, and one in three also tows a boat.

Used for both weekend and vacation trips, the typical camper is taken on five trips a year and used a total of 28 days. About half of all truck campers are used year-round, and half are used seasonally—primarily in June, July and August.

Forty-six percent of all truck camper owners live in a metropolitan area, and one in three owners lives in a major city. The typical camper owner is 50 years old, married, college-educated and has an average household income of $35,000—almost equal to that of motorhome owners.

OWNER PROFILE

Age	50 years
Retired	85%
Not retired	15%
Married	92%
Have children living at home	42%
No children at home	58%
College-educated	59%
Live in city/suburbs	46%
Live in town/rural area	54%
Annual household income	$35,000

RV USAGE

Days spent RVing in past year	28 days
Miles driven RVing in past year	4,600 miles
RV trips taken in past year	5 trips
Use RV primarily for:	
weekends/holidays	40%
trips/vacations	16%
both weekends & vacations	44%
Use RV year-round	51%
Use RV only in certain seasons	49%

THE RV

Year RV was purchased:	
1984 or later	37%
1980-83	26%
1979 or before	37%
Purchased new	39%
Purchased used	61%
Approximate purchase price	$3,600

RV Dealer Profile

Facts and Figures About America's RV Dealerships

JOHN SCHUG

To learn more about America's RV dealers—who they are, what they sell, and what influences them—*RV Business* magazine recently commissioned a major industry study. The study was conducted by John Schug Media Research in November 1987.

The composite results of the study show that today's typical RV dealership is a relatively small business with seven employees and annual RV sales of less than $2 million.

THE TYPICAL RV DEALERSHIP . . .

- has one location
- has 7 employees
- sells RVs, parts and service
- sells 5 types of RVs
- sells 3-4 brands of RVs
- sells 80 new RVs annually
- sells 50 used RVs annually
- sells $1,944,400 worth of RVs a year
- services 206 RVs a year
- derives 92% of sales volume from RV-related sales

Of course, there really is no "typical" RV dealership—America's 10,000-plus RV dealers represent a wide variety of individual businesses that vary greatly in location, size and sales. To better understand this diverse group of businesses, the following data profiles today's RV dealerships in several ways.

Who They Are

LOCATION(S) OF DEALERSHIP	% OF DEALERS
Small town	32%
Rural/farm	20%
City or suburb	52%
NUMBER OF LOCATIONS	
1	84%
2	12%
3 or more	4%
SERVICES OFFERED	
New RV sales	95%
Used RV sales	98%
Accessory/equipment sales	92%
RV service	95%
NUMBER OF EMPLOYEES	
5 or less	35%
5-9	30%
10-19	19%
20 or more	16%
ANNUAL SALES VOLUME—RV UNITS	
$500,000 or less	24%
$500,000-$2,999,999	45%
$3,000,000-$4,999,999	12%
$5,000,000-$9,999,999	11%
$10,000,000 or more	8%
OTHER PRODUCTS SOLD	
Sell RVs exclusively	47%
Cars	21%
Trucks	21%
Vans	17%
Camping equipment	16%
Boats	8%
Motorcycles/snowmobiles/ATVs	6%

What They Sell

TYPES OF RVS SOLD	% OF DEALERS
Travel Trailer	84%
Fifth-Wheel Travel Trailer	74%
Class A Motorhome	62%
Class C Motorhome	68%
Folding Camping Trailer	51%
Truck Camper/Truck Cap	48%
Van Conversion	25%

NUMBER OF BRANDS SOLD	
1	16%
2	22%
3	20%
4	16%
5 or more	26%

ANNUAL UNIT SALES—NEW RVS	
25 units or less	18%
25-49	18%
50-99	23%
100-199	23%
200-299	9%
300 units or more	9%

ANNUAL UNIT SALES—USED RVS	
25 units or less	24%
25-49	26%
50-99	22%
100-199	18%
200 units or more	10%

RVS SERVICED/REPAIRED IN PAST YEAR	
100 or less	28%
100-299	36%
300-499	16%
500-999	11%
1,000 or more	9%

What Influences Them

FACTORS IN CHOOSING RV BRANDS TO SELL	% OF DEALERS
Overall quality of RV	89%
Reputation of manufacturer	64%
Reliability of unit	52%
Customer demand	38%
RV floorplan/features	34%
Exclusive territory	33%
Manufacturer's warranty	33%
Profit margin	31%
Retail price	28%
Warranty reimbursement plan	21%
Manufacturer incentives	10%

FACTORS IN CHOOSING EQUIPMENT & ACCESSORIES TO SELL	
Customer demand	72%
Product quality	67%
Features of product	41%
Profit margin	39%
Manufacturer's reputation	37%
Fit/ease of installation	35%
Retail price	21%
Manufacturer's warranty	21%
Manufacturer's incentives	4%

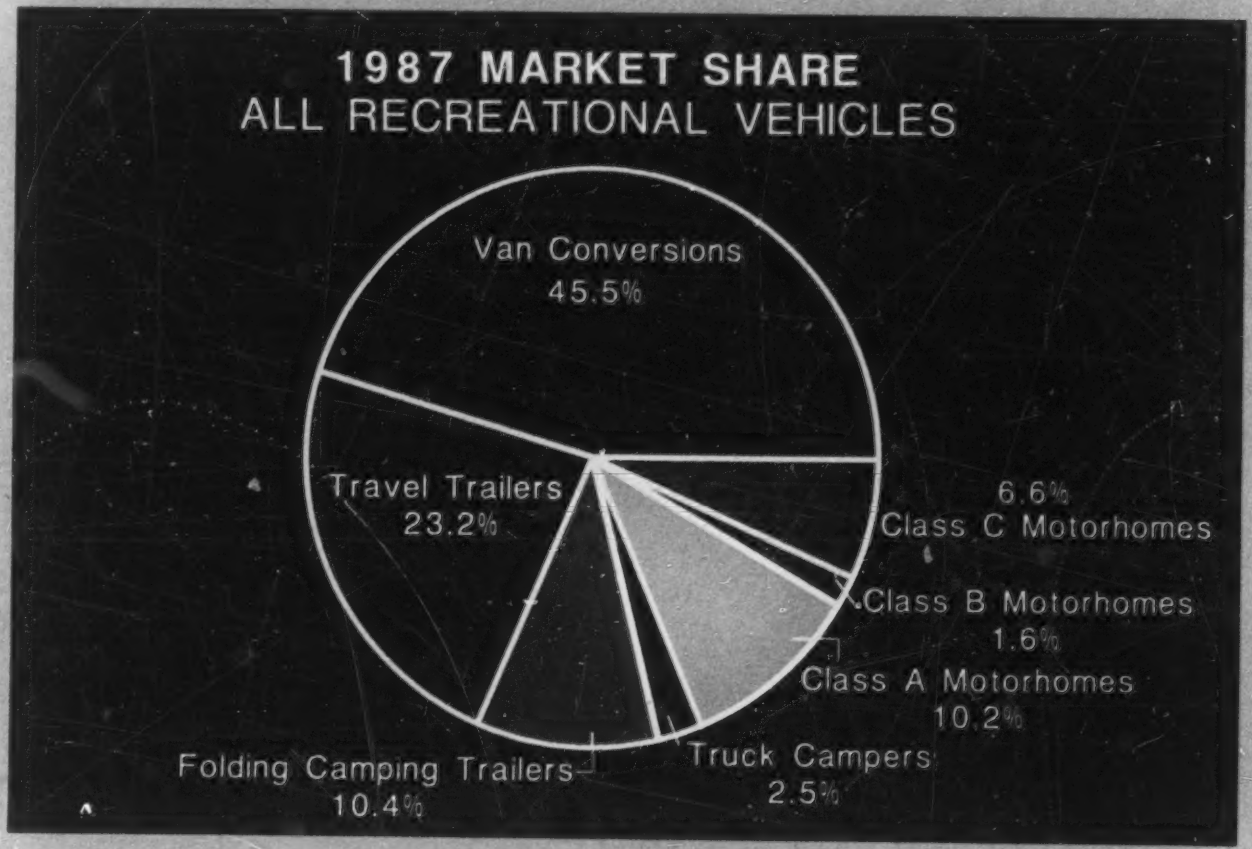
PRIMARY SOURCES OF INFORMATION ABOUT NEW SUPPLIERS & PRODUCTS	
RV trade publications	89%
Trade shows	69%
Direct mail from manufacturer	41%
Distributor's salesmen	40%
Manufacturer's salesmen	38%
RV consumer magazines	37%
Others in the RV industry	27%

A Statistical Overview of the RV Market

MORTON J. MARCUS

Market Share

The travel-trailer category of RVs, which includes conventional trailers, fifth-wheels and park trailers, held a 23.2% share of the total RV market in 1987. But excluding van conversions, travel trailers jumped to a 42.5% share. All towables—travel trailers, folding camping trailers and truck campers—accounted for 36.1% of '87 total shipments. Excluding van conversions, towables dominated 66.2% of the RV market, leaving 33.8% of shipments, for all types of motorhomes—classes A, B and C. For the total RV market, all classes of motorhomes had an 18.4% share. Class A motorhomes were 10.2% of total '87 shipments, Class C's were 6.6%, and Class B's were 1.6%.



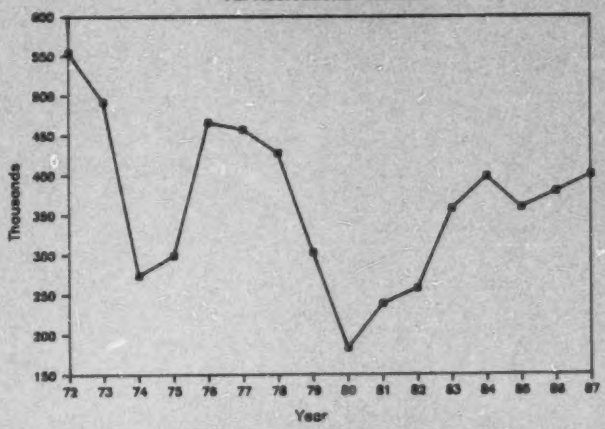
Graphic: Custom Color Visuals

Shipments

Between 1972 and 1987, 1980 was the low point for the industry as a whole and for every major RV type. Total shipments, as well as shipments for each RV type have climbed upward since then, but, with the exception of van conversions, no RV type has regained its pre-1980 peak. Van conversions alone have outperformed their pre-1980 record.

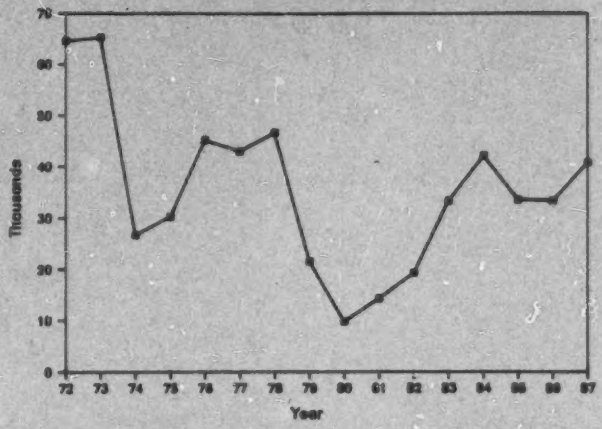
The following charts detail the annual patterns for each major RV type:

Total Shipments
All Recreational Vehicles



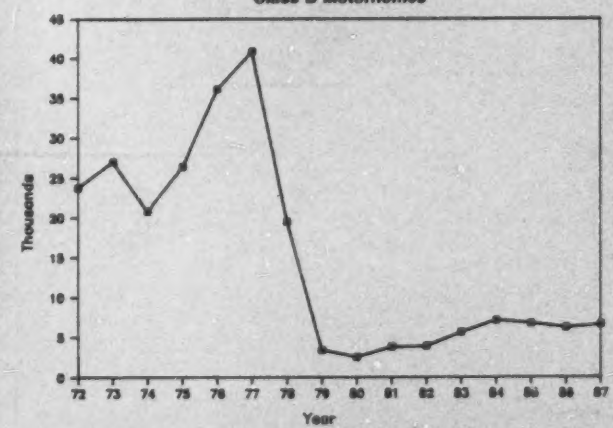
Since its low of 183,500 total units shipped in 1980, the RV industry has advanced to surpass the 400,000-unit level again. In 1987, total shipments were still 28% below the 1972 level, but within 14% of the next peak in 1976. The trend is clearly upward, with only down year—1985—since 1980.

Total Shipments
Class A Motorhomes



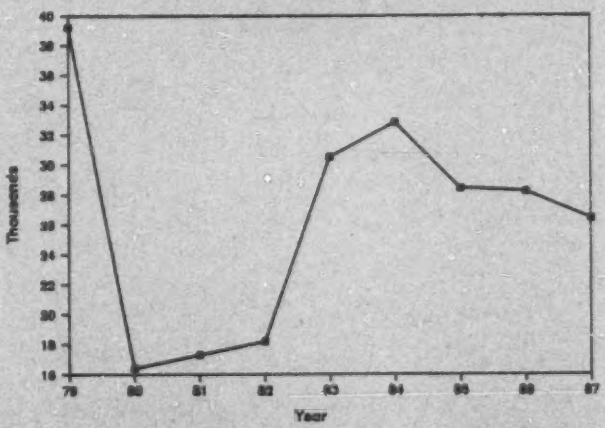
Like the industry as a whole, Class A motorhome shipments reached their nadir in 1980 with a meager 9,800 units, or an 85% drop from the 1973 peak of 65,300. Since then, shipments have climbed upward, with a small trough in 1985 and '86. By 1987, Class A shipments had reached 40,800 units, although this is still 37% below their 1973 zenith.

Total Shipments
Class B Motorhomes



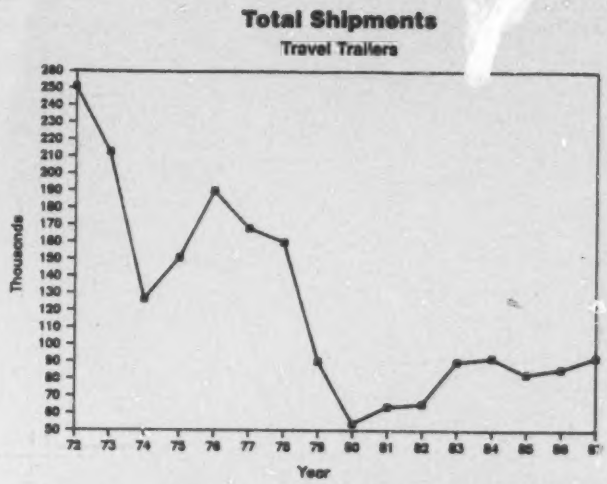
Class B motorhomes experienced their best year in 1977, with 40,800 units shipped, a total that is actually equal to the Class A 1987 total. Class B shipments then dropped precipitously to bottom out at a mere 2,500 units in 1980. Shipments since 1980 have increased slowly, reaching 6,600 units in 1987.

Total Shipments
Class C Motorhomes

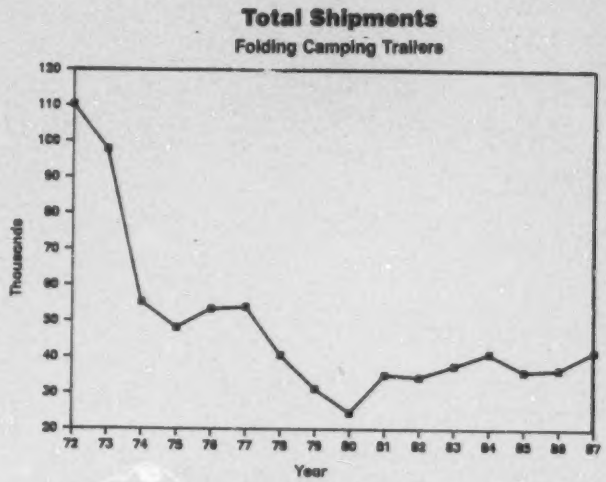


Shipments of Class C motorhomes—which include traditional minimotorhomes, low-profile and micro-mini units—had collapsed to 16,400 units in the dark days of 1980, down from a high of 39,200 in 1979. From that low point, the category rose to a new peak of 32,800 units in 1984. Since 1984, however, Class C's have declined steadily. In 1987, Class C shipments totaled 26,400 units, which was 20% below the 1984 peak and 33% behind that of 1979.

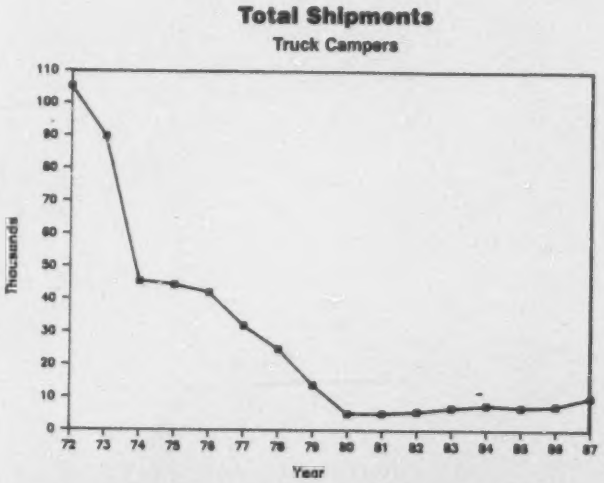
SHIPMENTS *continued*



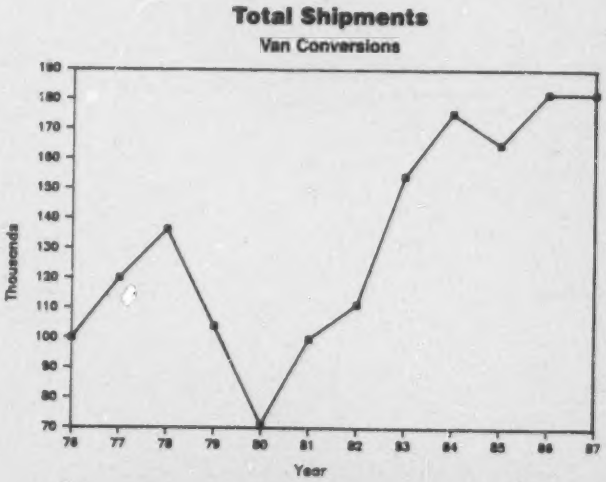
By 1987, shipments of travel trailers—including traditional trailers, fifth-wheels and park trailers—reached 92,800 units, which was 72% higher than the category's 1980 low of 53,900 units, but still less than half a percent above the total of 1984. Certainly, there is little comparison between recent travel-trailer performance and the whopping 250,800 shipments that these towables achieved in 1972.



Folding camping trailers experienced a very good year in 1987, reaching a total of 41,600 units shipped, or a 14% increase from 1986 and a 2% increase from the previous peak in 1984. Fold-downs still have a way to go, however, to reach the previous high of 53,900 units in 1977.



Between 1980 and 1986, truck-camper shipments grew at a sluggish pace, rising only by 48% in those six years from the all-time low of 5,000 units in 1980. However, 1987 was a high-growth year for this category. In 1987 alone, shipments leaped by 36% from the 1986 level, going from 7,400 units to 10,000.



Van-conversion shipments remained flat from 1986 to 1987, with 181,900 shipments in each year. However, this was still 4% above the previous peak in 1984 of 175,300 units and a stupendous recovery from the 1980 valley of 71,400 units shipped. The 1987 total also gives van conversions a 45.5% share of total RV shipments.

Monthly Shipment Patterns

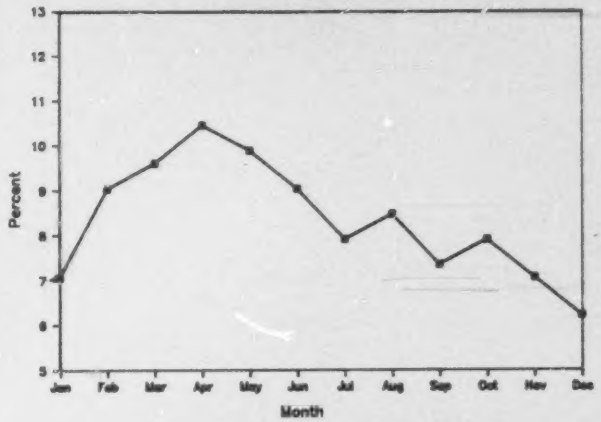
Based on 15 years of data, it is clear that the RV industry has strong and fairly regular seasonal patterns in general, and that the various RV types have very different monthly shipment patterns in particular.

Total RV shipments peak in the spring. In April, for example, 11% of the year's RV shipments occur. In contrast, only 6% of all shipments take place in December.

The following charts explore monthly patterns for some major RV types:

Monthly Shipments as Percent of Annual

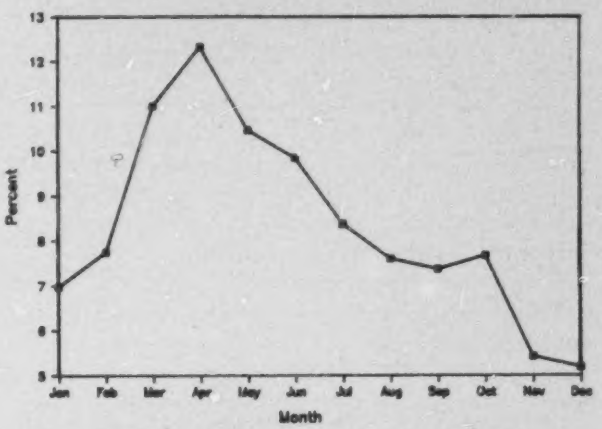
Class A Motorhomes



The peak month for Class A motorhome shipments is April, which accounts for 10.5% of the year's total shipments. After declining through July, shipment growth registers small blips upward in August and October before sliding down to the slowest month of the year, December. December accounts for only 6.2% of the year's total.

Monthly Shipments as Percent of Annual

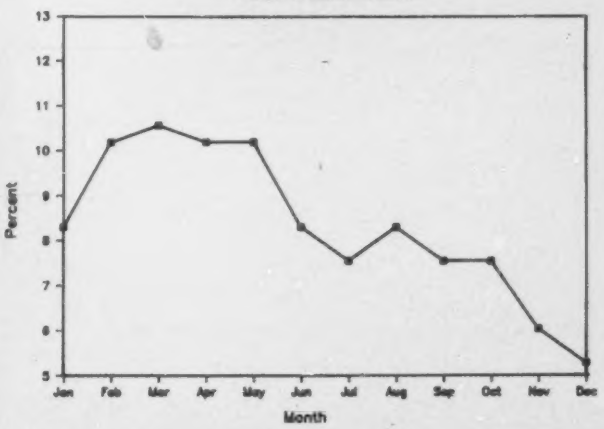
Travel Trailers



Like Class A motorhomes, travel trailers—including conventional travel trailers, fifth-wheels and park trailers—reach a shipments peak in April. Some 12.3% of all travel-trailer shipments are made in that month. Shipments then drop to a low point in December with 5% of annual shipments occurring in that month.

Monthly Shipments as Percent of Annual

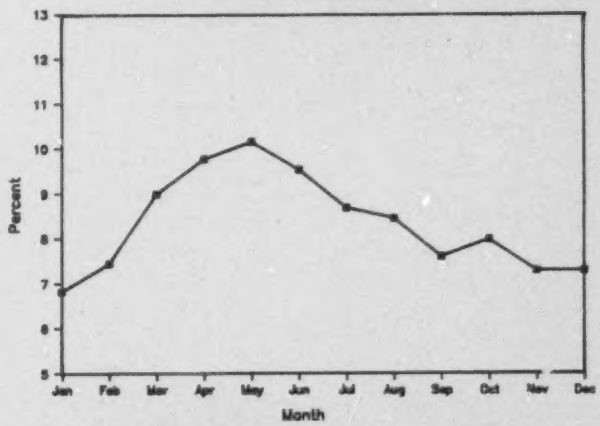
Class C Motorhomes



Class C motorhomes have their busiest period earlier in the year than Class A's and travel trailers. The peak month for Class C shipments is March, which accounts for 10.6% of annual shipments. Business then declines, with a small secondary peak in August, to the quiet of December, in which only a little more than 5% of annual shipments takes place.

Monthly Shipments as Percent of Annual

Van Conversions



Van-conversion shipments come to a head later in the year than other RV types. The busiest month is May, which tallies 10.2% of annual shipments. The year's low point is January, in which only 6.8% of all shipments occur.

Why Make Seasonal Adustments?

Many important economic indicators, such as the gross national product (GNP) and the Consumer Price Index, are "seasonally adjusted." Seasonal adjustments are mathematical corrections of real numbers to remove the distorting influence of regular fluctuations. Once such seasonal fluctuations have been removed, a single month can be more accurately compared with another and data can be used more reliably for forecasting purposes.

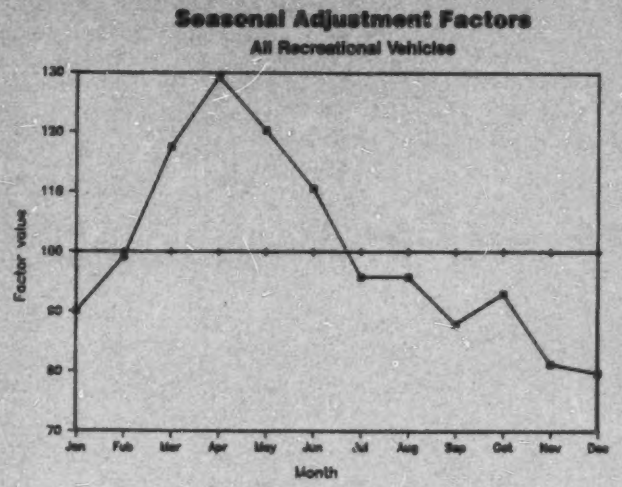
RV shipments, for instance, show strong seasonal patterns. The process of seasonally adjusting RV shipments is simple mathematics, once an adjustment factor has been determined.

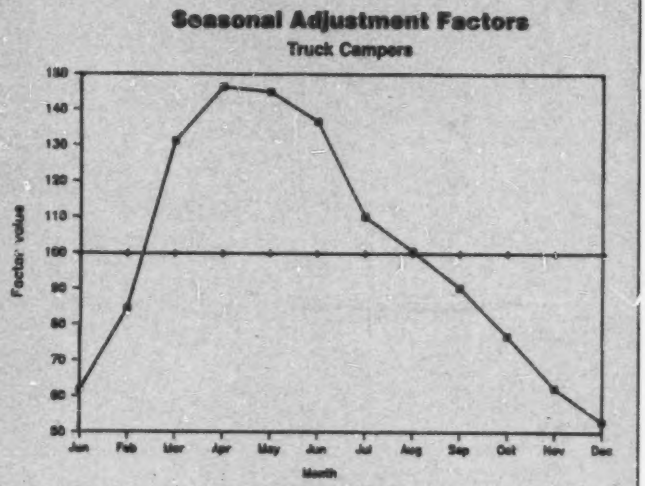
The starting point in finding the seasonal-adjustment factor is determining the percent of total annual shipments that are typically made in a given month. This information should be based on at least three years of data and, in the cases shown here for the RV industry, it is based on 15 years of data.

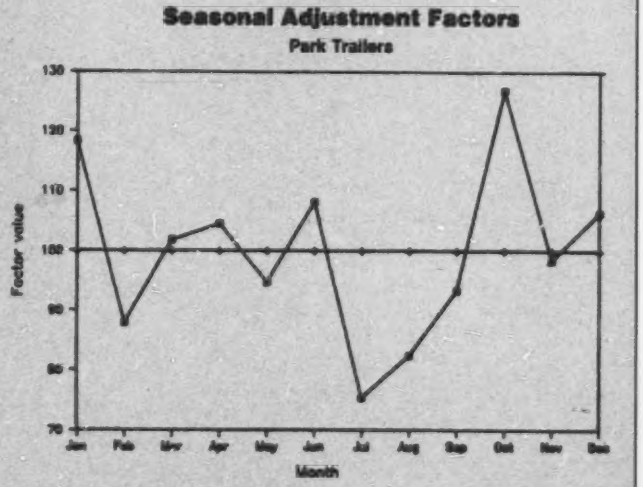
For all RVs, April, for example, is often the peak month, with more than 11% of the year's total. December accounts for just 6% of the total. But the pattern varies greatly by class of RV. Van conversions peak in May; Class C motorhomes have a high plateau from February through May; truck campers have a wide range from a high of nearly 13% in May to a very low 4% in December. Thus, segmentation of RVs into their respective classes is an important part of the seasonal adjustment process and allows the behavior of those products to be seen in a truer light.

To derive seasonal-adjustment factors, the statistician assigns a value of 100 (or 1) to the average month. Then a specific month is measured as a percentage of that average month. For instance, when we analyze the history of RV shipments in this decade through 1987, we find that January accounts for 9.95 of the year's total RV shipments. Thus, the seasonal adjustment factor for January is 90.1 (100-9.9 = 90.1).

To seasonally adjust the raw data, then, the actual January shipments would be divided by 0.901. If we were actually doing this procedure in early 1987, the resulting number could have been multiplied by 12 to forecast shipments for the full year. Plotting seasonally adjusted months against GNP or other indicators gives you a clearer idea of how RVs are behaving relative to those aspects of the overall economy.







Financing

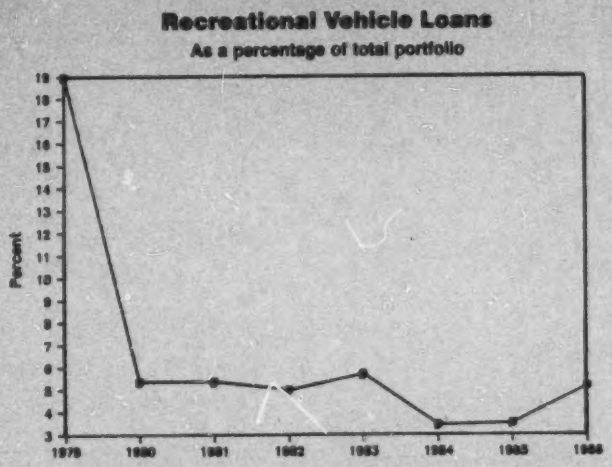
A study sponsored by the Recreation Vehicle Industry Association (RVIA) Finance Committee for 1986 found that lenders were continuing a trend toward extended terms on consumer RV loans. The majority of respondents, representing total RV fortfolios of more than $4 billion, granted 120 months on direct (consumer-generated) RV loans. Since that study, however, many lenders have been advertising 180-month terms on new units.

The RVIA study also found that 92% of the lenders surveyed said that RV loans are as profitable as, or more profitable than, auto loans.

Demand for the RV loans declined following the 1979 energy crisis; thus, the percentage of individual lenders' total portfolio committed to such loans was markedly reduced. In subsequent years, RV loans have ranged between 3% to 5% of total loan portfolios.

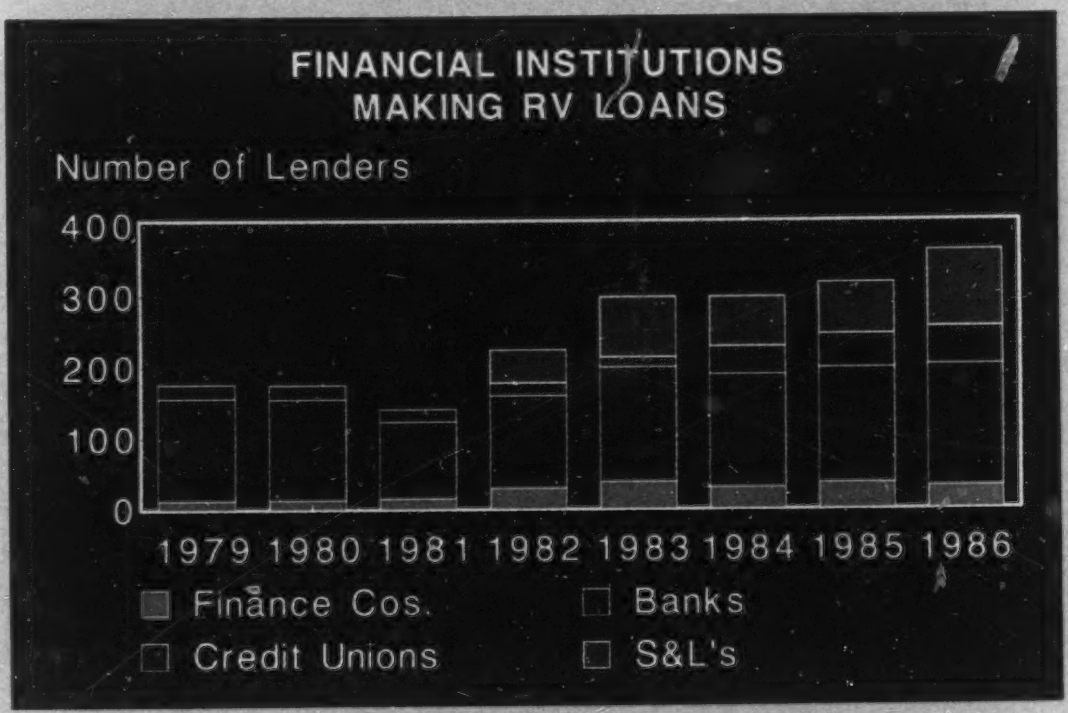
Offsetting reduced individual commitments, there has been steady growth in the number of lenders reporting RV loans. The most dramatic increase in participation has been among savings and loan institutions as deregulation allowed them to expand their scope.

In recent years, RV loans have been gaining in popularity among lenders. That trend has seemingly been



encouraged by very low delinquency rates. The American Bankers Association (ABA), for instance, found that in the first quarter of 1987 only 1.75% of outstanding RV loans were delinquent. That compared with a weighted average of 2.37% for eight loan types regularly charted by ABA.

During the entire year of 1986, RV loans averaged 1.99% delinquency, the third lowest rate in the ABA survey.



Graphic: Custom Color Visuals